

AMENDED IN SENATE AUGUST 23, 2004

AMENDED IN SENATE JULY 2, 2004

AMENDED IN SENATE JUNE 16, 2004

AMENDED IN SENATE JUNE 14, 2004

AMENDED IN ASSEMBLY MAY 20, 2004

AMENDED IN ASSEMBLY APRIL 12, 2004

AMENDED IN ASSEMBLY MARCH 26, 2004

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 2499

Introduced by Assembly Member Jerome Horton

February 19, 2004

An act to *add and repeal Section 40409 of the Health and Safety Code, and to add a chapter heading to, and to add Chapter 2 (commencing with Section 9505) to, Division 4.8 of the Public Utilities Code, relating to ~~new locally owned public~~ utilities.*

LEGISLATIVE COUNSEL'S DIGEST

AB 2499, as amended, Jerome Horton. New publicly owned electric utilities: resource plans.

(1) *Under existing law, the governing board of the South Coast Air Quality Management District is required to adopt rules and regulations to carry out the South Coast District Air Quality Management Plan, including rules and regulations promoting cleaner burning alternative fuels.*

This bill would require the board of the South Coast Air Quality Management District to exempt vehicles used for electric utility high voltage construction or maintenance from any district rule or regulation requiring the use of alternative-fueled vehicles. These provisions of the bill would be repealed on January 1, 2010.

(2) The Public Utilities Act imposes various duties and responsibilities on the Public Utilities Commission with respect to the purchase of electricity and requires the commission to review and adopt a procurement plan and a renewable energy procurement plan for each electrical corporation pursuant to the California Renewables Portfolio Standard Program. Under existing law, the governing board of a local publicly owned electric utility is responsible for implementing and enforcing a renewables portfolio standard that recognizes the intent of the Legislature to encourage renewable resources, while taking into consideration the effect of the standard on rates, reliability, and financial resources and the goal of environmental improvement.

This bill would require new publicly owned electric utilities, as defined, to meet equivalent requirements for resource adequacy as those requirements that are applicable to an electrical corporation, including reserve requirements. The bill would require a new publicly owned electric utility to adopt a specified finding regarding resource adequacy, before commencing operation or providing electricity to any new or additional electrical service area, on or after January 1, 2006. By imposing new requirements on new local publicly owned electrical utilities, this bill would impose a state-mandated local program.

~~(2)~~

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.



The people of the State of California do enact as follows:

SECTION 1. *Section 40409 is added to the Health and Safety Code, to read:*

40409. *Notwithstanding any other provision of law, in order to protect the health and safety of utility workers and to ensure the continued reliability of the electrical transmission system, the south coast district board shall exempt from any rule or regulation requiring the use of alternative-fueled vehicles, vehicles that are used for electric utility high voltage construction or maintenance operations.*

This section shall remain in effect only until January 1, 2010, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2010, deletes or extends that date.

SEC. 2. A chapter heading is added to Division 4.8 (commencing with Section 9500) of the Public Utilities Code, immediately preceding Section 9500, to read:

CHAPTER 1. WEATHERIZATION PROGRAMS

~~SEC. 2.—~~

SEC. 3. Chapter 2 (commencing with Section 9505) is added to Division 4.8 of the Public Utilities Code, to read:

CHAPTER 2. NEW PUBLICLY OWNED ELECTRIC UTILITY
RESOURCE PLANNING

9505. “New publicly owned electric utility” means a local publicly owned electric utility, as defined in subdivision (d) of Section 9604 of the Public Utilities Code, that commenced operations and provided electricity and distribution service to retail customers within its jurisdiction as an operating publicly owned electric utility on or after January 1, 2001.

9506. In order to provide reliable and sustainable electricity to retail end-use customers of new publicly owned electric utilities, new publicly owned electric utilities shall meet equivalent requirements for resource adequacy as those requirements that are applicable to an electrical corporation, including reserve requirements.

1 9507. Before commencing operation or providing electricity
2 to any new or additional electrical service area on or after January
3 1, 2006, a new publicly owned electric utility shall, in a public
4 hearing that allows for public participation, adopt findings,
5 supported by a written record, that the resource plan of the new
6 publicly owned electric utility meets the adequacy requirements of
7 Section 9506.

8 ~~SEC. 3.—~~

9 *SEC. 4.* Notwithstanding Section 17610 of the Government
10 Code, if the Commission on State Mandates determines that this
11 act contains costs mandated by the state, reimbursement to local
12 agencies and school districts for those costs shall be made pursuant
13 to Part 7 (commencing with Section 17500) of Division 4 of Title
14 2 of the Government Code. If the statewide cost of the claim for
15 reimbursement does not exceed one million dollars (\$1,000,000),
16 reimbursement shall be made from the State Mandates Claims
17 Fund.

